



[Home](#) › [Media centre](#) › [Media releases](#) › Unemployment rate falls to 3.4%

# Unemployment rate falls to 3.4%

Media Release

Released 18/08/2022

**Source:** [Labour Force, Australia, July 2022](#)

The seasonally adjusted unemployment rate fell to 3.4 per cent in July 2022, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, head of labour statistics at the ABS, said: "With employment falling by 41,000 people and the number of unemployed people also decreasing by 20,000, the unemployment rate fell by 0.1 percentage points, to 3.4 per cent."

The unemployment rate fell for men (down 0.2 percentage points) to 3.4 per cent, and remained steady at 3.4 per cent for women.

"The fall in unemployment in July reflects an increasingly tight labour market, including high job vacancies and ongoing labour shortages, resulting in the lowest unemployment rate since August 1974," Mr Jarvis said.

"In July, there were fewer unemployed people (474,000) than there were job vacancies (480,000 in May)."

With a fall in both employment and unemployment in July, the participation rate also fell, down 0.3 percentage points from its record high of 66.8 per cent to 66.4 per cent. It remained 0.5 percentage points higher than before the pandemic.

The participation rate also fell for both men and women (down 0.4 and 0.3 percentage points).

The July reference period coincided with the winter school holidays, worker absences associated with COVID and other illnesses, and further flooding events in New South Wales.

**Employment, participation and hours worked**

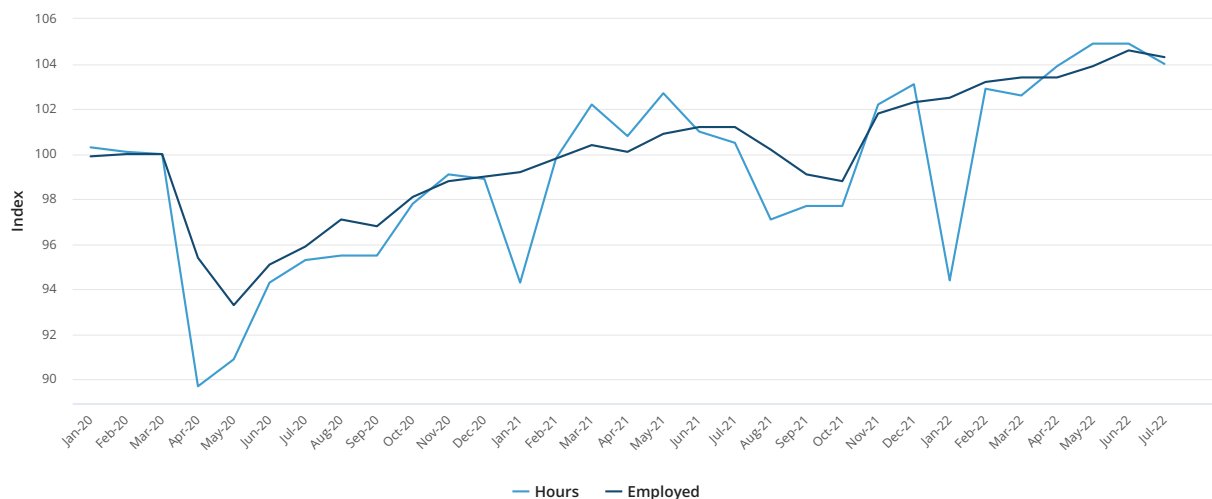
Seasonally adjusted employment decreased by 41,000 people (0.3 per cent) in July 2022.

"This is the first fall in employment since October 2021, following the easing of restrictions after the Delta lockdowns in late 2021.

"During the pandemic, it has not been uncommon to see larger-than-usual changes or slowing in employment and hours around school holidays," Mr Jarvis said.

With the fall in employment, the employment to population ratio decreased 0.2 percentage points to 64.2 per cent.

## Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia Tables 1 and 19

Youth employment (those aged between 15 and 24 years) increased further into July, increasing by 13,000 people (0.7 per cent), the third consecutive increase.

In line with the fall in employment, and continued illness-related worker absences, seasonally adjusted hours worked fell by 0.8 per cent in July 2022.

The reference period for the July 2022 survey most closely aligned with the July 2017 survey. In July 2022, 28.4 per cent of employed people (3,856,000) worked fewer hours than usual or no hours, compared with 27.1 per cent (3,317,000) five years earlier.

"In addition to people taking annual leave around the winter school holidays, there were also around 750,000 people working fewer hours than usual due to being sick in July 2022, around double the usual number we see during the middle of winter.

"Given the extent of sickness within the community during July, some people who were on annual leave over the school holidays may have also been sick or caring for others."

## **Underemployment and underutilisation**

The underemployment rate decreased by 0.1 percentage points to 6.0 per cent. The youth underemployment rate increased by 0.1 percentage points to 14.1 per cent.

The underutilisation rate, which combines the unemployment and underemployment rates, fell by 0.2 percentage points to 9.4 per cent, its lowest level since April 1982.

Today's release includes additional analysis of hours worked and historical charts showing data back to 1966.

Further information, including regional labour market information, will be available in the upcoming July 2022 issue of Labour Force, Australia, Detailed, due for release on Thursday 25 August 2022.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time.

## **Media notes**

- The July survey reference period was from 3 July to 16 July 2022. The August survey reference period is from 31 July to 13 August 2022.
- The ABS is planning to reinstate Trend estimates (and revert to concurrent seasonal adjustment) for Labour Force series in the September 2022 Labour Force publication, to be released on 20 October 2022.
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